

Risk Management Fund / 5520

		2003 Actual¹	2004 Adopted²	2004 Revised³	2005 Adopted	2006 Projected⁴	2007 Projected⁴
LOSSES LIMITED TO \$1 MILLION	Beginning Fund Balance	9,237,320	6,311,829	6,497,850	1,644,380	4,036,910	3,188,476
	Revenues						
	* Interfund Charges	20,400,541	22,029,712	22,029,712	22,627,931	24,777,585	27,131,455
	* Interest Income	1,567,321	1,230,341	1,220,000	1,588,593	1,620,365	1,652,772
	Total Revenues	21,967,862	23,260,053	23,249,712	24,216,524	26,397,950	28,784,228
	Expenditures						
	* Claims Costs (limited to first \$1 million)	(8,650,421)	(12,679,997)	(10,696,139)	(13,057,353)	(13,865,163)	(14,723,213)
	* Insurance Premiums	(8,701,960)	(9,719,899)	(10,619,919)	(3,551,301)	(9,472,247)	(11,001,328)
	* Prosecutors and Operating Expenditures	(3,248,903)	(3,368,072)	(3,352,808)	(3,118,665)	(3,274,598)	(3,438,328)
	* Transfers to Other Funds (MARR)	(274,928)	(274,928)	(274,928)	(274,928)	(288,674)	(303,108)
	* Encumbrance Carryover	(90,854)					
	Total Expenditures	(20,967,066)	(26,042,896)	(24,943,794)	(20,002,247)	(26,900,683)	(29,465,977)
	Estimated Underexpenditures						
CATASTROPHIC LOSS RESERVES (above the \$1 Million per occurrence threshold)	Other Fund Transactions						
	* Adjustments for Incurred Losses ⁵	(3,740,266)	(1,175,530)	(3,159,388)	(321,747)	(345,701)	(371,378)
	* Transfer to Cat Loss Fund ⁶				(1,500,000)		
	Total Other Fund Transactions	(3,740,266)	(1,175,530)	(3,159,388)	(1,821,747)	(345,701)	(371,378)
	Ending Undesignated Fund Balance	6,497,850	2,353,456	1,644,380	4,036,910	3,188,476	2,135,348
	Beginning Cash Balance	16,518,430	16,606,160	14,864,857	12,839,424	14,750,831	15,170,466
	Revenues						
	* Insurance Recoveries	327,500		2,745,366	-	-	-
	* Insurance Recoveries allocated to SW			(122,500)			
	* Interest Income	445,165	367,574	398,301	411,407	419,635	428,028
	* Cat Loss Revenue						
	* Other Adjustments				1,500,000		
	Total Revenues	772,665	367,574	3,021,167	1,911,407	419,635	428,028
	Expenditures						
	* Claims Costs > \$1million threshold	(2,426,238)	(22,915)	(5,046,600)	-	-	-
	Total Expenditures	(2,426,238)	(22,915)	(5,046,600)	0	0	0
	Ending Fund Balance	14,864,857	16,950,819	12,839,424	14,750,831	15,170,466	15,598,494
	Less: Reserves & Designations						
	* Reserved for Losses Over \$1Million ⁷	(16,277,000)	(16,439,770)	(15,876,000)	(19,666,000)	(19,666,000)	(19,666,000)
	Total Reserves & Designations	(16,277,000)	(16,439,770)	(15,876,000)	(19,666,000)	(19,666,000)	(19,666,000)
	Ending Undesignated Fund Balance	(1,412,143)	511,049	(3,036,576)	(4,915,169)	(4,495,534)	(4,067,506)

Financial Plan Notes:

In general, this financial plan is most significantly affected by annual updates to actuarial estimates of incurred claims. Its financial portrayal of the Insurance Fund is based on the 2004 Actuary study that revised estimates of losses for policy years 1990-2003.

¹ Based on 2003 CAFR.

² 2004 Council Adopted Budget.

³ Based on most current revenue and expenditure projections, includes the 18 month excess liability

A corresponding reduction to insurance premium expenditures is included in the 2005 Proposed Budget.

⁴ In 2006 and 2007, rates are projected to rise 9.5%. Claims Costs and Insurance Premium Expenditures are estimated based on Actuarial increase assumptions.

⁵ Difference between actuarial's estimate of incurred losses vs. actual expenditures for limited losses.

⁶ Fund balance will be transferred to the Catastrophic Loss Reserve for limited losses.

⁷ Per actuarial's estimates-- Assumed \$2.5 million Self Insured Retention

policy renewals, which will provide insurance coverage from September 2004 through March 2006.